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ABSTRACT

A study examined educational property tax burdens in Nebraska counties, using data on property taxes levied, property values, and per capita income. The study found that the average school tax burdens for residents in the lowest third (by per capita income) of Nebraska counties, which were nearly all rural farmers and ranchers, were 88 percent higher than property tax burdens for residents in the top third counties. Recent efforts by the Nebraska Legislature at property tax relief have not related the relief to a household's property tax obligation relative to its income, thus delivering much less relief to those who are truly overburdened by property taxes. Other states have enacted "circuit breaker" statutes that allow income tax credits or property tax rebates when property taxes reach a certain percentage of household income. Recommendations for applying such legislation in Nebraska include providing a strong definition of "income" to prevent the sheltering of income, applying the circuit breaker to both agricultural and residential property, and applying it only to owners/operators of property. It is also recommended that the state's school funding formula incorporate the local capacity of a school system's property owners to pay the taxes and not base funding solely on the taxable property wealth of the system. Three appendices present nine fiscal parameters for each county, groupings of counties by per capita income, property taxes levied by government subdivisions, and sources of school funding in Nebraska. (TD)

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SPECIAL REPORT

ED 450 997

Digging Deeper

Into Shallow Pockets

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Abstract

This report examines the educational property tax burdens for each of Nebraska's counties. Previous research has shown that of the top 25 agricultural producing states, Nebraska residents have some of the highest property valuations and taxes. However, great disparity exists within the state. The heaviest property tax burdens occur in rural, agricultural counties and counties with low per capita incomes.

In terms of per capita income, Nebraska is home to the nation's three poorest counties and 7 of the poorest 21 counties. These counties are experiencing the highest property tax burdens. Our findings demonstrate the regressive nature of the property tax and the extreme hardship faced by many rural Nebraskans in paying educational property taxes.

Methodology

Three data sources were utilized in the analysis: Nebraska Department of Revenue; United States Department of Commerce, Bureau of Economic Analysis; and *Agricultural Property Taxation: A Comparative Analysis*, University of Nebraska Public Policy Center.

The measure of nine principle parameters for each county, which can be found in Appendix A, were determined as follows:

Property Taxes Levied – Department of Revenue, 1998.
Property Taxes Levied for School Districts – Department of Revenue, 1998.
Percentage of Property Taxes Levied for School Districts – determined by dividing Property Taxes Levied by Property Taxes Levied for School Districts.
Number of Acres in Agricultural Property – Department of Revenue, 1998.
Taxable Value of Agricultural Property – Department of Revenue, 1998. Property that is designated for agricultural purposes is valued at 80 percent of its market value. The market value is determined by the county assessor based on comparative sales in the area and current functional use, earning capacity of the land, and reproduction cost less depreciation.
Taxable Value of Real Property – for these purposes, real property will not include agricultural or mineral land, Department of Revenue, 1998. Real property is valued at 100% of its market value. Market value is determined by the county assessor, similarly as it is for agricultural land.
Nebraska Personal Income – Bureau of Economic Analysis, 1998.
Rank in Per Capita Income – Bureau of Economic Analysis, 1998.
Property Tax Burden – determined by dividing Nebraska Personal Income by Property Taxes Levied and presented as a percent of income devoted to pay property taxes.

The data for all counties were sorted according to the rank in per capita income, with one assigned to the county with the highest per capita income and ninety-three to the county with the lowest per capita income. The counties were then sorted into three groups

according to their per capita income, the top third of the state (Group 1), the middle third of the state (Group 2), and the lowest third of the state (Group 3). See Appendix B for a grouping of the counties by per capita income.

Findings

When examining Nebraska counties grouped by per capita income, one common feature is readily apparent. The vast majority of the poorest counties in the state are completely rural and agriculturally dependent (as determined by USDA Beale Codes).[1] Thirty-two percent of the counties in Group 1 are completely rural. Forty-five percent of the counties in Group 2 are completely rural. Ninety percent of the counties in Group 3 are completely rural.

This finding corresponds to recent data from the Bureau of Economic Analysis (an agency within the U.S. Department of Commerce). In terms of per capita income, rural Nebraska is one of the poorest areas in the nation. The three poorest counties in the nation are rural Nebraska counties – Loup, McPherson, and Arthur. In addition, four other rural Nebraska counties are among the 21 poorest counties in the nation – Sioux, Blaine, Keya Paha, and Grant counties.

The dependence upon agriculture is also quite evident in the per capita income groups. This dependence also means that certain areas of the state, thus certain school systems are more dependent upon agricultural property and the property taxes assessed against that property. Table 1 below summarizes the percentage of land valuation in each income group that is agricultural property.

Group	Taxable Value of All Property	Taxable Value of Real Property (minus Ag Property)	% of Land that is Ag Property
1 (High)	$47,398,821,626	$39,496,308,671	16.67%
2 (Middle)	$13,865,328,345	$7,386,792,817	46.72%
3 (Low)	$5,840,844,170	$2,073,684,483	64.50%

Table 1. Percentage of Property Valuation Comprised of Agricultural Property, by County Income Group

Table 1 clearly shows that as the per capita income of a county increases, a county becomes less agricultural. But the type of property assessed for property taxes is only part of the equation. Table 2 summarizes another part of the equation – the valuation of property. Table 2 focuses on the average taxable value of agricultural property in each county income group. As would be expected, the richer the county, the greater is the taxable value of its land. In general, the ability of agricultural land to generate income and higher county per capita incomes are highly related.

[1] USDA Beale Codes define a county as completely rural where there is no population center with a population greater than 2,500 and not adjacent to a metropolitan area; agriculturally dependent counties are those where 20 percent or more of personal income in the county is derived from agricultural activity (either owner-operated income or farm/ranch labor).

Group	Number of Agricultural Acres	Taxable Value of Agricultural Property	Average Taxable Value of Agricultural Property/Acre
1 (High)	12,300,400	$7,902,512,955	$642.46
2 (Middle)	14,907,418	$6,478,535,528	$434.58
3 (Low)	17,653,500	$3,767,159,687	$213.39

Table 2. Average Taxable Value of Agricultural Property, by County Income Group

An example of the disparity in the income producing potential of agricultural land between the county income groups describes the problem facing many rural communities and rural school systems. If an 800-acre farm/ranch in Group 1 is valued at the group average for agricultural property ($642.46/acre) at the soon-to-be state mandated K-12 education levy limit of $1 per $100 of property valuation, this Group 1 farm/ranch would generate approximately $5,140 in property taxes for schools.

An 800-acre farm/ranch in Group 3 valued at the group average for agricultural property at the $1 levy limit would generate about $1,707 in property taxes for schools. To generate the same amount of property taxes for schools, a Group 3 farm/ranch would have to be over three times as large or have a property tax levy over three times as large as that in Group 1.

One more part of the equation must be considered. Property taxes are not paid by land, but rather by income. Even though the example above may lead some to believe that farmers and ranchers in the counties in Group 3 are paying less in property taxes than their brethren in Group 1, Table 3 shows that is not the case.

Because of the lower incomes in the counties in Group 3, property tax burdens in those counties are significantly higher than in other areas of the state. The average property tax burdens for residents in Group 3 – nearly all rural and primarily farmers and ranchers – are over 75 percent higher than the property tax burdens for Group 1 residents.

Group	Personal Income	Property Taxes Levied	Average Property Tax Burden (%)
1 (High)	$34,044,000,000	$1,072,341,736	3.15
2 (Middle)	$6,894,000,000	$282,121,960	4.09
3 (Low)	$2,115,000,000	$117,008,984	5.53

Table 3. Average Property Tax Burden, by County Income Group

The disparity between county income groups is even greater when only school taxes are considered. The average school tax burden for residents of counties in Group 3 is nearly

88 percent greater than for residents of Group 1 counties. Table 4 summarizes the school tax burden.

Group	Property Taxes Levied	Property Taxes Levied for School Systems	% of Property Taxes Levied for School Systems	Average School Property Tax Burden (%)
1 (High)	$1,072,341,736	$642,883,107	59.95	1.89
2 (Middle)	$282,121,960	$179,296,698	63.55	2.60
3 (Low)	$117,008,984	$75,151,041	64.23	3.55

Table 4. Summary of School Tax Burden, by County Income Group

While Tables 3 and 4 clearly demonstrate a pronounced disparity in property tax burdens between county income groups, an examination of burdens in particular counties shows even grosser inequities. The 7 counties with the lowest per capita incomes in the state (among the lowest 21 per capita income counties in the nation) have the 7 highest property tax burdens in the state (see Appendix A).

Loup County, with the lowest average per capita income in the nation, pays over half of the personal income in the county for property taxes. The Loup County property tax burden is nearly 20 times higher than the lowest county property tax burdens in Scotts Bluff and Douglas Counties. Tables 3 and 4, and an examination of individual county property burdens, demonstrate that as incomes decrease property tax burdens increase, buttressing the long established belief that the property tax is a regressive tax.

These findings also make it clear who is shouldering the negative consequences of Nebraska's property tax system. Rural citizens with generally lower incomes – particularly those who reside in agriculturally dependent counties – are devoting extraordinary percentages of their personal income to paying property taxes. And, unlike income tax burdens (and, to some extent, sales taxes) which will decrease as income decreases, property taxes have no relation to income or the ability to pay.

Farmers, ranchers, and other rural property owners are not the only ones hurt by this heavy burden. Since property taxes make up more than 50 percent of the public school's income and since schools are the major reason for property taxes (see Appendix C), a heavy property tax burden affects schools systems as well. A heavy tax burden makes it more difficult for schools to go to their public and ask for more money in the form of property tax increases or levy overrides. The impending school levy decrease to $1/$100 valuation may place many schools systems in a position of being strapped for resources.

Schools, as the main recipient of property tax revenue, are also often blamed for property tax burdens and bills, thus straining relationships between schools and their patrons and reducing community support for schools. It is questionable in many cases, however, whether school systems in Group 3 counties (and in some Group 2 counties) will be able

to maintain quality schools with a drop in the levy limit. The only alternatives are unattractive ones – levy limit overrides (resulting in higher taxes), reductions in spending (resulting in decreased educational quality), or a change in school status (consolidation or unification).

Little has changed in respect to property tax since we published a study similar to this in 1997.[2] That study also found extreme disparities in property tax burdens. While actions since then by the Nebraska Legislature have attempted to address property tax burdens, it is clear that the combination of property tax dependence for many public institutions and low rural incomes have resulted in tremendous tax burdens for many rural residents.

Policy Implications and Recommendations

In its past several sessions, the Nebraska Legislature has attempted to reduce property tax burdens for all Nebraska property owners. Beginning with LB 1114, which mandated local and school property tax levy limits, and culminating with efforts to reduce property taxes by increasing state aid for K-12 education and community colleges, the issue of property taxes has been at the forefront of legislative activity. However, as the data presented in this report shows, many rural residents continue to shoulder an extraordinary burden in property tax obligations.

Recent efforts at property tax relief have not addressed a fundamental characteristic of property taxation – it is a regressive tax assessed against property but paid by income, the effect of which distributes the burden of the tax disproportionately. Recent attempts at property tax relief have allocated any relief provided in a way that is unrelated to a household's property tax obligation relative to its income, thus delivering much less relief to those who are truly overburdened by property taxes. The amount of property tax relief provided by these efforts may also vary by location given the dependence of K-12 education on property taxes in general and the varying dependence by school system and given the local conditions that affect property valuations.

Given the cyclical economic status of agriculture and the current status of the rural economy in Nebraska, efforts at property tax relief that make property tax obligations and household income unrelated are unsatisfactory. They will likely result in continued high property tax burdens in rural areas of the state. Therefore, we recommend that the Nebraska Legislature adopt property tax relief that is targeted at those property owners, both rural and urban, who are truly burdened by property taxes.

In other states, this has taken the form of a **property tax "circuit breaker."** Several states have enacted "circuit breaker" status that allows for income tax credits or property tax rebates when property taxes reach a certain percentage of household income. Many of these laws make those at a certain age (generally available to those property owners 65 or older) or those with a disability the eligible recipients.

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[2] *Analysis of Property Tax Burdens by District and the Distribution of Aid Under LB 806 in Relation to Ability to Pay*, Center for Rural Affairs, April 1997.

Some states have recently made the "circuit breaker" concept available to an expanded number of property owners by adding an eligibility category based on income, thus linking household income and property tax obligations. Examples of what other state have done in this regard include:

- **Michigan**. In general, Michigan provides a state income tax credit for 60 percent of the property tax that exceeds 3.5 percent of the household income, referred to as the "homestead property tax credit." The credit phases out beginning with households earning $73,650, and those households earning $82,650 or more cannot claim the credit. Senior citizens are generally allowed a greater credit, and renters are allowed to substitute 20 percent of rent for property tax in calculating their credit.

- **Connecticut**. Connecticut provides a property tax "circuit breaker" for those whose household income is less than $23,600 (unmarried taxpayers) or $28,900 (married taxpayers). A state income tax credit is allowed based on a sliding scale and based on the percentage of property tax obligation relative to household income.

- **New York**. New York allows a state income tax credit for property taxes paid by those households with gross income of $18,000 or less. Renters are also allowed to claim the credit.[3]

These examples from other states provide a framework upon which Nebraska can build to provide property tax relief to those who are truly overburdened. In the 2000 legislative session, Senator Dierks introduced LB 1070, which created a property tax "circuit breaker" and provided a state income tax credit when property tax obligations reached 4 to 18 percent of household income.[4] LB 1070 applied only to agricultural land. We would suggest the following elements be present in any property tax "circuit breaker" legislation in Nebraska:

- Apply the "circuit breaker" to both agricultural and residential property. While it is clear that rural property owners, particularly farmers and ranchers, are being crushed by high property tax burdens, low-income urban landowners face the same problem.
- Apply the "circuit breaker" only to owners/operators of property. In our view, those that work the land and own property are those who are truly dependent upon property for a living or for a home and are truly burdened by the property tax; they are those who are deserving of specific, targeted property tax relief.
- Provide a strong definition of "income" so that the property tax "circuit breaker" does not become a way to shelter income.

We believe a property tax "circuit breaker" would make Nebraska's tax system more progressive and would have the opportunity to provide significant property tax relief to those who are truly burdened by this tax.

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[3] See, Article 22, Section 606(e), New York State Tax Law.

[4] LB 1070 was indefinitely postponed (or killed) by the Nebraska Legislature's Revenue Committee on March 7, 2000. *Legislative Journal*, page 895.

Because of the tremendous property tax burdens on rural areas of the state, and particularly upon farmers and ranchers, we would also recommend that assessments of agricultural property more closely consider the income and earning potential of the property. We would also recommend that the school state aid distribution formula incorporate the local capacity of a school system's property owners to pay the levied property taxes and not base funding solely on the taxable property wealth of the system.

Appendix A

Group One: Highest per Capita Income

Rank in Per Capita Income	County	Property Taxes Levied 1998	1998 Property Taxes Levied for School Districts	% of Property Taxes Levied for School Districts	# of Acres In Ag Land 1998	Taxable Value of Ag Land 1998	Taxable Value of Ag Land per Acre	Taxable Value of Real Property (exc. Ag & Mineral)	Nebraska Personal Income 1998	Prop. Tax Burd (% of inc. paid to Prop. Tax)
1	Douglas	$ 388,956,148	$ 218,087,734	56.07%	93,247.97	$ 80,293,680	$ 861.08	$ 15,241,207,280	$ 14,485,000,000	2.69%
2	Dundy	$ 3,796,051	$ 2,453,117	64.62%	546,877.50	$ 131,774,424	$ 240.96	$ 42,295,058	$ 67,000,000	5.67%
3	Lancaster	$ 202,983,168	$ 128,522,559	63.32%	417,453.18	$ 291,526,932	$ 698.35	$ 8,875,352,519	$ 6,474,000,000	3.14%
4	Cuming	$ 10,871,756	$ 6,678,822	61.43%	347,865.01	$ 345,136,895	$ 992.16	$ 260,302,615	$ 274,000,000	3.97%
5	Phelps	$ 11,546,869	$ 7,715,681	66.82%	314,500.44	$ 331,922,540	$ 1,055.40	$ 271,393,695	$ 269,000,000	4.29%
6	Washington	$ 17,048,610	$ 10,769,817	63.17%	214,991.62	$ 181,223,100	$ 842.93	$ 693,046,117	$ 503,000,000	3.39%
7	Fillmore	$ 9,997,434	$ 6,537,040	65.39%	343,734.97	$ 364,014,925	$ 1,059.00	$ 142,784,540	$ 185,000,000	5.40%
8	Chase	$ 5,515,217	$ 3,725,467	67.55%	523,712.90	$ 184,629,800	$ 352.54	$ 93,802,496	$ 111,000,000	4.97%
8	Nemaha	$ 6,137,092	$ 3,903,265	63.60%	242,762.30	$ 157,109,425	$ 647.17	$ 143,555,919	$ 200,000,000	3.07%
10	York	$ 16,912,001	$ 10,277,596	60.77%	341,896.74	$ 423,326,219	$ 1,238.17	$ 393,534,995	$ 372,000,000	4.55%
11	Kearney	$ 8,915,743	$ 6,025,809	67.59%	310,423.79	$ 302,847,795	$ 975.59	$ 171,584,155	$ 173,000,000	5.15%
12	Cass	$ 22,468,095	$ 15,151,316	67.43%	311,973.89	$ 283,573,421	$ 908.97	$ 781,668,543	$ 610,000,000	3.68%
13	Thayer	$ 7,023,577	$ 4,415,195	62.86%	345,668.26	$ 230,410,809	$ 666.57	$ 114,103,039	$ 155,000,000	4.53%
14	Perkins	$ 5,113,453	$ 3,184,165	62.27%	520,460.73	$ 184,717,100	$ 354.91	$ 64,558,684	$ 78,000,000	6.56%
15	Adams	$ 24,507,559	$ 14,669,370	59.86%	327,812.00	$ 301,048,440	$ 918.36	$ 808,297,330	$ 714,000,000	3.43%
16	Platte	$ 25,438,937	$ 15,969,507	62.78%	393,750.27	$ 407,520,610	$ 1,034.97	$ 998,628,300	$ 743,000,000	3.42%
17	Gage	$ 19,716,722	$ 12,625,561	64.03%	510,052.51	$ 292,034,990	$ 572.56	$ 600,787,425	$ 550,000,000	3.58%
18	Madison	$ 24,395,795	$ 14,876,789	60.98%	328,645.07	$ 238,159,316	$ 724.67	$ 903,456,899	$ 824,000,000	2.96%
19	Cheyenne	$ 9,512,847	$ 5,662,013	59.52%	693,955.34	$ 165,837,173	$ 238.97	$ 221,580,546	$ 225,000,000	4.23%
20	Hall	$ 44,489,237	$ 26,980,203	60.64%	296,593.38	$ 323,760,851	$ 1,091.60	$ 1,616,734,346	$ 1,225,000,000	3.63%
21	Dodge	$ 26,284,916	$ 16,286,903	61.96%	309,373.63	$ 358,081,675	$ 1,157.44	$ 1,031,572,961	$ 835,000,000	3.15%
22	Polk	$ 7,037,295	$ 4,608,361	65.48%	262,858.73	$ 273,857,750	$ 1,041.84	$ 108,450,715	$ 133,000,000	5.29%
23	Deuel	$ 2,705,204	$ 1,698,392	62.78%	256,183.69	$ 67,648,845	$ 264.06	$ 37,840,334	$ 47,000,000	5.76%
24	Sarpy	$ 87,157,661	$ 48,515,918	55.66%	101,362.94	$ 81,323,880	$ 802.30	$ 3,642,114,925	$ 2,787,000,000	3.13%
25	Box Butte	$ 9,908,657	$ 6,102,959	61.59%	626,137.25	$ 151,101,109	$ 241.32	$ 277,444,140	$ 295,000,000	3.36%
26	Seward	$ 14,491,543	$ 8,939,028	61.68%	341,753.30	$ 317,285,609	$ 928.41	$ 441,365,378	$ 379,000,000	3.82%
27	Clay	$ 8,501,192	$ 5,959,996	70.11%	303,019.00	$ 300,573,925	$ 991.93	$ 149,833,375	$ 165,000,000	5.15%
28	Antelope	$ 8,167,521	$ 4,852,346	59.41%	513,057.02	$ 262,617,040	$ 511.87	$ 131,870,129	$ 167,000,000	4.89%
28	Hamilton	$ 12,081,681	$ 8,404,116	69.56%	325,680.92	$ 410,670,837	$ 1,260.96	$ 261,373,523	$ 216,000,000	5.59%
30	Lincoln	$ 29,012,688	$ 18,251,810	62.91%	1,490,387.84	$ 376,911,900	$ 252.90	$ 946,394,885	$ 762,000,000	3.81%
31	Wheeler	$ 1,647,067	$ 1,032,252	62.67%	344,207.80	$ 81,571,940	$ 236.98	$ 29,373,805	$ 21,000,000	7.84%
Totals		**$ 1,072,341,736**	**$ 642,883,107**	**59.95%**	**12,300,400**	**$ 7,902,512,955**		**$ 39,496,308,671.00**	**$ 34,044,000,000.00**	**3.15%**
Averages		**$ 34,591,669**	**$ 20,738,165**		**396,787**	**$ 254,919,773**	**$ 642.46**	**$ 1,274,074,473**	**$ 1,098,193,548**	

Group Two: Middle per Capita Income

Rank in Per Capita Income	County	Property Taxes Levied 1998	1998 Property Taxes Levied for School Districts	% of Property Taxes Levied for School Districts	# of Acres In Ag Land 1998	Taxable Value of Ag Land 1998	Taxable Value of Ag Land per Acre	Taxable Value of Real Property (exc. Ag & Mineral)	Nebraska Personal Income 1998	Property Tax Burden (% of income paid for Property Taxes)
32	Buffalo	$ 29,430,534	$ 19,417,191	65.98%	566,777.26	$ 348,585,280	$ 615.03	$ 1,108,861,170	$ 910,000,000	3.23%
33	Red Willow	$ 8,144,830	$ 5,214,917	64.03%	424,936.44	$ 143,476,970	$ 337.64	$ 229,876,206	$ 251,000,000	3.24%
34	Richardson	$ 7,025,483	$ 4,517,764	64.31%	330,341.88	$ 192,419,030	$ 582.48	$ 151,575,697	$ 208,000,000	3.38%
35	Saline	$ 11,669,502	$ 7,451,582	63.86%	344,604.91	$ 254,228,830	$ 737.74	$ 325,509,215	$ 286,000,000	4.08%
36	Scotts Bluff	$ 20,823,949	$ 13,551,034	65.07%	414,176.10	$ 151,727,375	$ 366.34	$ 909,437,382	$ 793,000,000	2.63%
37	Jefferson	$ 8,112,352	$ 5,203,344	64.14%	340,935.22	$ 193,607,345	$ 567.87	$ 166,540,095	$ 184,000,000	4.41%
38	Pawnee	$ 2,984,290	$ 1,878,277	62.94%	260,570.75	$ 104,760,010	$ 402.04	$ 40,388,659	$ 69,000,000	4.33%
39	Custer	$ 12,645,185	$ 7,674,847	60.69%	1,565,751.71	$ 458,823,010	$ 293.04	$ 188,421,060	$ 261,000,000	4.84%
40	Garden	$ 3,433,271	$ 2,208,702	64.33%	985,383.75	$ 126,077,281	$ 127.95	$ 37,932,702	$ 46,000,000	7.46%
41	Dawson	$ 18,004,003	$ 12,720,792	70.66%	602,335.63	$ 429,805,697	$ 713.57	$ 556,854,128	$ 505,000,000	3.57%
42	Otoe	$ 15,166,130	$ 9,527,401	62.82%	349,699.30	$ 271,193,265	$ 775.50	$ 440,899,447	$ 318,000,000	4.77%
43	Burt	$ 9,018,762	$ 5,112,641	56.69%	292,140.69	$ 254,921,765	$ 872.60	$ 168,482,573	$ 170,000,000	5.31%
44	Saunders	$ 18,275,665	$ 11,299,551	61.83%	428,968.54	$ 420,702,505	$ 980.73	$ 474,539,906	$ 410,000,000	4.46%
45	Dixon	$ 5,086,045	$ 2,909,149	57.20%	282,227.51	$ 141,669,655	$ 501.97	$ 117,585,412	$ 134,000,000	3.80%
46	Cedar	$ 8,593,632	$ 5,416,439	63.03%	440,968.31	$ 234,235,590	$ 531.18	$ 185,159,235	$ 204,000,000	4.21%
47	Furnas	$ 5,125,684	$ 3,301,796	64.42%	428,840.36	$ 152,169,425	$ 354.84	$ 85,999,445	$ 115,000,000	4.46%
48	Butler	$ 10,016,991	$ 6,218,701	62.08%	350,166.06	$ 330,318,275	$ 943.32	$ 199,279,005	$ 183,000,000	5.47%
49	Holt	$ 11,579,757	$ 7,338,213	63.37%	1,433,296.69	$ 430,763,990	$ 300.54	$ 204,042,180	$ 253,000,000	4.58%
50	Garfield	$ 1,799,068	$ 1,072,708	59.63%	342,237.25	$ 57,252,635	$ 167.29	$ 40,268,126	$ 43,000,000	4.18%
51	Valley	$ 4,376,107	$ 2,512,026	57.40%	342,674.69	$ 117,673,040	$ 343.40	$ 94,972,590	$ 97,000,000	4.51%
52	Wayne	$ 7,688,021	$ 4,730,740	61.53%	265,553.45	$ 153,810,470	$ 579.21	$ 194,300,955	$ 194,000,000	3.96%
53	Nuckolls	$ 5,095,129	$ 3,109,214	61.02%	348,777.22	$ 160,263,455	$ 459.50	$ 75,405,420	$ 108,000,000	4.72%
54	Rock	$ 2,707,471	$ 1,579,489	58.34%	604,615.92	$ 92,144,747	$ 152.40	$ 29,294,109	$ 36,000,000	7.52%
55	Kimball	$ 5,089,620	$ 2,964,433	58.24%	559,191.30	$ 82,923,626	$ 148.29	$ 132,373,944	$ 84,000,000	6.06%
56	Harlan	$ 4,701,551	$ 3,068,700	65.27%	314,892.90	$ 144,920,210	$ 460.22	$ 76,145,420	$ 76,000,000	6.19%
57	Merrick	$ 8,873,449	$ 6,339,725	71.45%	288,315.70	$ 234,546,755	$ 813.51	$ 200,349,145	$ 166,000,000	5.35%
58	Keith	$ 9,342,588	$ 5,968,257	63.88%	650,292.83	$ 149,734,475	$ 230.26	$ 245,175,285	$ 178,000,000	5.25%
59	Hayes	$ 1,987,519	$ 1,440,581	72.48%	434,490.79	$ 95,040,698	$ 218.74	$ 14,225,762	$ 22,000,000	9.03%
60	Dakota	$ 12,150,474	$ 7,137,966	58.75%	151,151.38	$ 112,217,004	$ 742.41	$ 474,446,279	$ 384,000,000	3.16%
61	Franklin	$ 5,202,314	$ 3,132,344	60.21%	344,568.91	$ 187,423,665	$ 543.94	$ 64,335,775	$ 76,000,000	6.85%
62	Boone	$ 7,972,584	$ 5,278,174	66.20%	418,534.41	$ 251,099,450	$ 599.95	$ 154,116,490	$ 130,000,000	6.13%
Totals		**$ 282,121,960**	**$ 179,296,698**	**63.55%**	**14,907,418**	**$ 6,478,535,528**		**$ 7,386,792,817.00**	**$ 6,894,000,000.00**	**4.09%**
Averages		**$ 9,100,708**	**$ 5,783,764**		**480,884**	**$ 208,985,017**	**$ 434.58**	**$ 238,283,639**	**$ 222,387,097**	

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Group Three: Lowest per Capita Income

Rank in Per Capita Income	County	Property Taxes Levied 1998	1998 Property Taxes Levied for School Districts	% of Property Taxes Levied for School Districts	# of Acres In Ag Land 1998	Taxable Value of Ag Land 1998	Taxable Value of Ag Land per Acre	Taxable Value of Real Property (exc. Ag & Mineral)	Nebraska Personal Income 1998	Property Tax Burden (% of income paid for Property Taxes)
63	Pierce	$ 7,618,939	$ 4,983,328	65.41%	338,057.90	$ 205,084,900	$ 606.66	$ 152,220,398	$ 162,000,000	4.70%
63	Webster	$ 4,345,356	$ 2,707,178	62.30%	348,489.74	$ 136,326,955	$ 391.19	$ 70,938,045	$ 82,000,000	5.30%
65	Gosper	$ 3,553,006	$ 2,249,853	63.32%	278,648.78	$ 128,543,012	$ 461.31	$ 67,110,333	$ 46,000,000	7.72%
66	Frontier	$ 4,282,751	$ 2,800,996	65.40%	581,939.34	$ 155,348,078	$ 266.95	$ 67,826,749	$ 62,000,000	6.91%
67	Stanton	$ 7,650,329	$ 5,339,019	69.79%	260,392.64	$ 161,055,380	$ 618.51	$ 145,276,220	$ 123,000,000	6.22%
68	Nance	$ 3,911,166	$ 2,461,561	62.94%	267,530.63	$ 143,113,540	$ 534.94	$ 67,209,020	$ 81,000,000	4.83%
69	Knox	$ 7,819,339	$ 4,805,526	61.46%	641,807.28	$ 209,783,225	$ 326.86	$ 170,406,112	$ 178,000,000	4.39%
70	Colfax	$ 8,459,672	$ 5,456,028	64.49%	246,544.76	$ 214,524,045	$ 870.12	$ 200,768,210	$ 205,000,000	4.13%
71	Johnson	$ 4,160,817	$ 2,457,226	59.06%	225,960.78	$ 108,196,786	$ 478.83	$ 72,771,200	$ 88,000,000	4.73%
72	Brown	$ 3,702,518	$ 2,354,678	63.60%	724,102.76	$ 117,635,541	$ 162.46	$ 69,276,177	$ 66,000,000	5.61%
73	Howard	$ 5,833,681	$ 3,846,565	65.94%	336,482.50	$ 170,051,323	$ 505.38	$ 146,761,258	$ 118,000,000	4.94%
74	Cherry	$ 9,100,676	$ 5,940,067	65.27%	3,362,332.51	$ 384,779,566	$ 114.44	$ 129,075,542	$ 114,000,000	7.98%
75	Greeley	$ 3,274,126	$ 2,028,337	61.95%	345,691.30	$ 119,175,115	$ 344.74	$ 44,314,560	$ 51,000,000	6.42%
76	Sheridan	$ 5,612,675	$ 3,468,802	61.80%	1,472,737.21	$ 185,550,602	$ 125.99	$ 92,392,420	$ 113,000,000	4.97%
77	Dawes	$ 5,736,715	$ 3,489,501	60.83%	756,664.02	$ 110,388,905	$ 145.89	$ 142,867,500	$ 153,000,000	3.75%
78	Hitchcock	$ 3,008,432	$ 2,073,815	68.93%	413,638.71	$ 109,428,592	$ 264.55	$ 46,189,095	$ 59,000,000	5.10%
79	Morrill	$ 5,231,791	$ 3,376,600	64.54%	855,357.12	$ 135,732,871	$ 158.69	$ 91,725,240	$ 93,000,000	5.63%
80	Boyd	$ 2,186,882	$ 1,395,242	63.80%	318,369.62	$ 80,050,190	$ 251.44	$ 33,230,405	$ 44,000,000	4.97%
81	Sherman	$ 3,594,187	$ 2,426,561	67.51%	336,710.24	$ 129,152,860	$ 383.57	$ 51,912,510	$ 59,000,000	6.09%
82	Thurston	$ 3,953,236	$ 2,270,419	57.43%	185,357.80	$ 114,282,207	$ 616.55	$ 76,330,025	$ 121,000,000	3.27%
83	Logan	$ 1,153,901	$ 795,994	68.98%	349,192.26	$ 50,540,815	$ 144.74	$ 13,420,041	$ 15,000,000	7.69%
84	Banner	$ 1,461,980	$ 918,849	62.85%	445,720.19	$ 63,590,385	$ 142.67	$ 11,727,158	$ 13,000,000	11.25%
85	Thomas	$ 1,206,200	$ 754,898	62.58%	354,480.00	$ 38,693,797	$ 109.16	$ 10,406,218	$ 11,000,000	10.97%
86	Hooker	$ 1,043,032	$ 684,714	65.65%	431,373.17	$ 40,250,815	$ 93.31	$ 12,641,525	$ 10,000,000	10.43%
87	Grant	$ 1,387,583	$ 849,879	61.25%	478,043.07	$ 50,353,520	$ 105.33	$ 11,161,106	$ 9,000,000	15.42%
88	Keya Paha	$ 1,365,639	$ 823,611	60.31%	460,901.84	$ 77,154,256	$ 167.40	$ 14,328,266	$ 10,000,000	13.66%
89	Sioux	$ 2,399,217	$ 1,682,176	70.11%	1,130,620.75	$ 119,456,720	$ 105.66	$ 31,979,550	$ 16,000,000	15.00%
90	Blaine	$ 1,113,712	$ 775,339	69.62%	417,510.16	$ 52,652,728	$ 126.11	$ 7,663,603	$ 5,000,000	22.27%
91	Arthur	$ 918,966	$ 657,148	71.51%	431,649.88	$ 48,285,030	$ 111.86	$ 5,614,045	$ 3,000,000	30.63%
92	McPherson	$ 901,302	$ 566,567	62.86%	520,859.16	$ 57,602,483	$ 110.59	$ 6,587,822	$ 3,000,000	30.04%
93	Loup	$ 1,021,158	$ 710,562	69.58%	336,333.82	$ 50,375,445	$ 149.78	$ 9,554,130	$ 2,000,000	51.06%
Totals		**$ 117,008,984**	**$ 75,151,041**	**64.23%**	**17,653,500**	**$ 3,767,159,687**		**$ 2,073,684,483**	**$ 2,115,000,000**	**5.53%**
Averages		**$ 3,774,483**	**$ 2,424,227**		**$ 569,468**	**$ 121,521,280**	**$ 213.39**	**$ 66,893,048**	**$ 68,225,806**	

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Appendix B

Property Tax Burdens in Nebraska

Group 1

County	Property Tax Burden (% of income paid for Property Taxes)
Douglas	2.69%
Dundy	5.67%
Lancaster	3.14%
Cuming	3.97%
Phelps	4.29%
Washington	3.39%
Fillmore	5.40%
Chase	4.97%
Nemaha	3.07%
York	4.55%
Kearney	5.15%
Cass	3.68%
Thayer	4.53%
Perkins	6.56%
Adams	3.43%
Platte	3.42%
Gage	3.58%
Madison	2.96%
Cheyenne	4.23%
Hall	3.63%
Dodge	3.15%
Polk	5.29%
Deuel	5.76%
Sarpy	3.13%
Box Butte	3.36%
Seward	3.82%
Clay	5.15%
Antelope	4.89%
Hamilton	5.59%
Lincoln	3.81%
Wheeler	7.84%

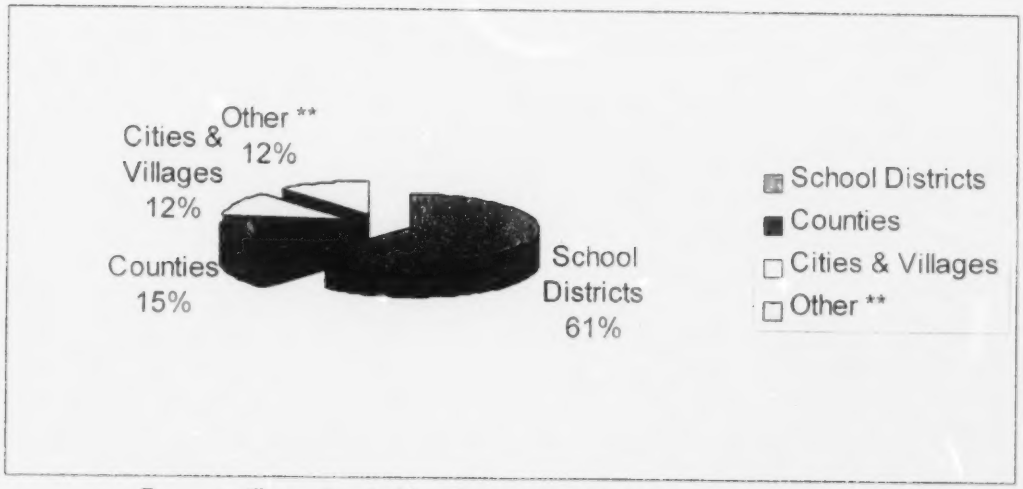
Group 2

County	Property Tax Burden (% of income paid for Property Taxes)
Buffalo	3.23%
Red Willow	3.24%
Richardson	3.38%
Saline	4.08%
Scotts Bluff	2.63%
Jefferson	4.41%
Pawnee	4.33%
Custer	4.84%
Garden	7.46%
Dawson	3.57%
Otoe	4.77%
Burt	5.31%
Saunders	4.46%
Dixon	3.80%
Cedar	4.21%
Furnas	4.46%
Butler	5.47%
Holt	4.58%
Garfield	4.18%
Valley	4.51%
Wayne	3.96%
Nuckolls	4.72%
Rock	7.52%
Kimball	6.06%
Harlan	6.19%
Merrick	5.35%
Keith	5.25%
Hayes	9.03%
Dakota	3.16%
Franklin	6.85%
Boone	6.13%

Group 3

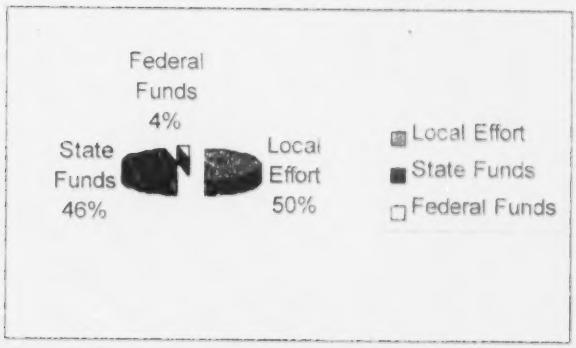
County	Property Tax Burden (% of income paid for Property Taxes)
Pierce	4.70%
Webster	5.30%
Gosper	7.72%
Frontier	6.91%
Stanton	6.22%
Nance	4.83%
Knox	4.39%
Colfax	4.13%
Johnson	4.73%
Brown	5.61%
Howard	4.94%
Cherry	7.98%
Greeley	6.42%
Sheridan	4.97%
Dawes	3.75%
Hitchcock	5.10%
Morrill	5.63%
Boyd	4.97%
Sherman	6.09%
Thurston	3.27%
Logan	7.69%
Banner	11.25%
Thomas	10.97%
Hooker	10.43%
Grant	15.42%
Keya Paha	13.66%
Sioux	15.00%
Blaine	22.27%
Arthur	30.63%
McPherson	30.04%
Loup	51.06%

Appendix C



Property Taxes Levied by Government Subdivisions in Nebraska

**Other includes Community Colleges, Natural Resource Districts, Educational Service Units, and other districts (Townships, Rural Fire Districts, and Miscellaneous Districts)



Sources of School Funding in Nebraska

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